

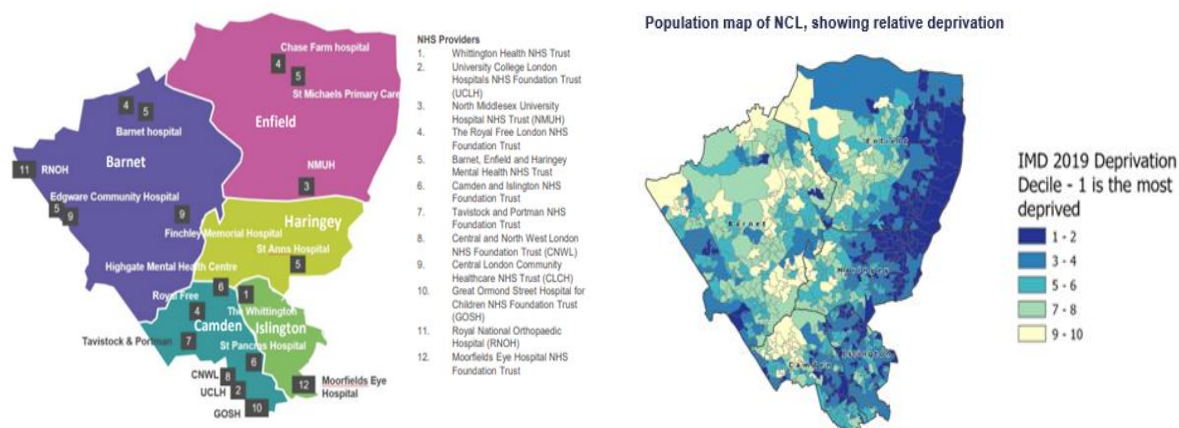
# NCL Integrated Care Board Joint Capital Resource Use Plan 2024/25

<b>Region</b>	London
<b>ICB / System</b>	NCL Integrated Care Board
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<b>Version</b>	Final

## Introduction

The North Central London Integrated Care System (NCL ICS) is a partnership of local authorities, health and care organisations, and the voluntary, community and social enterprise (VSCE) sector from the five NCL boroughs, working together to improve health and wellbeing outcomes for our population of 1.8 million people. We work closely with around 200 general practices, 300 pharmacies and 200 care homes. The North Central London Integrated Care Board is responsible for deciding how the NHS budget in our area is spent and for achieving value for money in the ICS.

NCL ICS was identified as a vanguard for its Estates and Infrastructure Strategy in 2023 and has opened two new health centres a year since 2021, will open one more in 2024 and another in 2025. The new facilities make a significant difference in local communities. We have embraced the community diagnostic centre initiative, establishing two award-winning centres. NCL is also a centre of world-class research and teaching. Great Ormond Street and Moorfields are world-renowned specialist trusts, serving patients from across the country and abroad. UCLH is renowned for its world-class research, typically having hundreds of studies ongoing at any one time.



North Central London (NCL) has a resident population of just under 1.8 million people. NCL is one of the most deprived systems in London and there are areas of deprivation across all 5 boroughs, often near areas of affluence. Our population is ethnically diverse and different communities have very different age structures. Across North Central London there is a high level of population health need and inequalities.

NCL ICB is committed to working with our partners to evolve as an Integrated Care System to address inequalities and provide consistent, high-quality services and health outcomes. Our updated System Infrastructure Strategy sets out updates on progress, such as improved coordination and prioritisation of capital planning across the system. However, it also acknowledges the challenges in developing a single system plan for our estate that supports delivery of our complex change agenda.

## Vision, Key aims, Objectives

The ambition across NCL is to work with residents of all ages, enabling our population to live better, healthier and longer, fulfilling their full potential over the course of their entire life, reducing inequalities and the gap in healthy life expectancy. The principles underpinning this vision is:

- **Start well**
  - All children have the best start in life and no child is left behind
  - All children and young people are supported to have good mental and physical health
  - Young People and their families are supported in their transition to
- **Live Well**
  - Early identification and improved care for people with mental health conditions
  - Reduced early deaths from cancer, cardiovascular disease and respiratory disease
  - Reduction in the impacts of wider social, economic and environmental conditions in which people live, on people’s health and wellbeing.
- **Age Well**
  - People live as healthy, independent and fulfilling lives as possible as they age
  - People remain connected and thriving in their local communities as they age

## Strategic Priorities

### Strategic Schemes

NCL ICS has a prioritisation process in place for large capital projects. The ICS has made a strategic decision to allocate 10% of its capital allocation to system priorities. The total strategic schemes in 2024/25, highlighted through planning amount to £35.7m. The ICS are funding £22.5m. The remaining strategic schemes at Whittington and GOSH are expected to be funded through the Trusts’ own core Capital allocation (CDEL), subject to further Trust discussions with the national Capital and Cash team. The total strategic schemes from 2024/25 to 2029/30 amount to £203.2m.

Scheme	Trust	Total commitment 24/25 (£m)	Total commitment 24/25 to 29/30 (£m)
C&I St Pancras	C&I	5.000	22.301
MEH EPR	MEH	3.100	6.300
C&I EPR	C&I	1.500	3.040
RNOH EPR	RNOH	4.000	10.000
Primary Care	ICB	8.914	53.483
Start Well*			53.700
<b>Subtotal (funded from ICS top-slice)</b>		<b>22.514</b>	<b>148.824</b>
Whittington Power	WH	5.800	40.900
GOSH Children’s Cancer Centre	GOSH	7.400	13.500
<b>Subtotal (Trust funded, subject to NHSE discussions)</b>		<b>13.200</b>	<b>44.400</b>
<b>Total</b>		<b>35.714</b>	<b>203.224</b>

The ICS allocation of funding in this way will improve the ability of the ICS to address strategic challenges which cannot be addressed within previously held organisational budgets.

\*The Start Well programme was subject to a recent public consultation and no final decisions have yet been made on service change. An indicative amount has therefore been included for the Start Well programme based on the work undertaken to develop the pre-consultation business cases. Further detail on the Start Well programme can be found in the section on Business Cases / new initiatives.

## Oriel / St Pancras

The continued progress of the Oriel (Moorfields relocation) and St Pancras (multi-organisational reconfiguration) developments is a key priority which includes a state-of-the-art specialist hospital, the provision of more effective emergency mental health capacity as well as more integrated community service offerings across numerous providers.

## Backlog Maintenance

NCL ICS is prioritising backlog maintenance across the health system. NCL recognises that the critical backlog identified in 2023 makes us vulnerable to unplanned site closures and that priority decisions need to be made across the system. The funding allocation awarded to Trusts to address critical backlog is discussed under the section on Capital planning and prioritisation.

## Disposals and IFRS16

The ICS is also developing a system approach to disposals of assets to maximise the level of core CDEL funding available to the system for strategic priorities and also coordinating lease management to get best value from system IFRS 16 CDEL funding which allocated for 24/25.

## NCL Governance

NCL ICB has invested in developing a strong estates capability. This capability is required to develop estates plans and take local care schemes through to delivery.

Within the ICB, the Estates team works particularly closely with:

- Finance Directorate, managing strategic planning of capital expenditure
- Borough Partnership teams who have overall responsibility for relationships with local authorities
- Primary Care commissioning, linking estates decisions to the broader primary care agenda
- IT, particularly the Digital Infrastructure team who have an essential role in the successful delivery of schemes.



Local Care Infrastructure Delivery Board	NCL Estates Board	Estates Oversight Group	Local Estates Forum
Formal, delegated decision-making on behalf of SDC. To provide oversight and leadership for NCL's delivery of modern, effective and efficient infrastructure. Escalation route for delivery issues	Key engagement forum, across all ICS partners. Responsibility to sign-off Estates Strategy for further approvals	Operational and delivery focused group to ensure optimal allocation of funding, supporting priorities in bidding and project management and oversight of borough projects	Engagement forum across all partners, identifying schemes to prioritise and opportunities

## 24/25 CDEL allocations and sources of funding

NCL has been allocated £178.6m of CDEL in 2024/25 (excluding prior year revenue performance awards). This is based on the national formula and is unchanged from 23/24.

The 24/25 Revenue Fair Shares Allocation Adjustment of £17.9m was awarded for submitting a balanced 2024/25 plan. Prior Year revenue Performance allocations total £30m, consisting of £4.1m for delivering a 23/24 balanced plan and £25.7m - the 23/24 System revenue surplus. Almost all of the 23/24 System revenue surplus was delivered by UCLH, with a revenue surplus of £25m. Of UCLH's surplus, £16.1m was made available for critical infrastructure risks and held in the NCL system reserve. The balance remained with the Trust.

For 24/25, NCL CDEL is therefore confirmed at a total value of £226m.

In addition, in the final 24/25 FPRs funding was confirmed for existing investments from the New Hospital Programme (£101m at MEH for Oriel), £19m from national programmes, mainly Frontline Digitisation and Digital Diagnostics, plus £44m support for the impact of IFRS16 and £5m for PFI.

SOURCE OF CAPITAL	24/25 (£m)
System CDEL	£179
24/25 Revenue Fair Shares Allocation Adjustment	£18
PY Revenue Performance	£30
<b>NCL CDEL</b>	<b>£226</b>
NHP	£101
National Programmes	£19
IFRS 16 Support	£44
Technical Incl. PFI	£5
<b>NATIONAL PDC</b>	<b>£168</b>
<b>TOTAL CDEL</b>	<b>£395</b>

### Please see the Appendix for detailed System CDEL allocations

#### External Funding

In 2023/24 NCL successfully accessed national funding to develop greater resilience and productivity in how we support elective recovery (TIF), transform our clinical footprint to enable state-of-the-art healthcare delivery (NHP), develop diagnostic interoperability to optimise clinical diagnostic resource (Digital Diagnostics), and improve digital maturity (FD).

In 24/25, external support for elective recovery has understandably all but stopped, post-COVID. There is reduced support for digital diagnostics but increased support for Frontline Digitisation, which has significant milestones in 24/25.

#### Risks

IFRS 16 support has increased to £44m, but still creates a financial risk against IFRS 16 lease obligations, estimated at £54m for the ICS in 24/25. NCL ICB is undertaking a deep dive analysis of existing and proposed new leases to gain a better understanding of IFRS 16 lease obligations in the system, compared to the level of support received. This is discussed in more detail in the section on Risks and Mitigations.

There is also risk that a revision to the current level of national multi-year programme budgets and/or funding policies will reduce the level of capital and revenue support available to systems creating local pressures or reducing the ability to make significant investment, e.g. Frontline Digitisation / EPR ambitions, discussed in business cases / new initiatives.

## Capital planning and prioritisation

The NCL capital plan is developed from a 10yr capital pipeline (updated May 2024) prepared by provider organisations and NCL ICB on behalf of primary care, encompassing business as usual requirements as well as strategic schemes. Currently, organisations are given an allocation of the ICS CDEL and asked to prioritise within this envelope.

This view enables the ICB to assess delivery of system objectives through optimal use of capital resource. The pipeline highlights multi-year and multi-organisational dependencies but also items that relate to local risk registers (including risk scoring) to inform system prioritisation.

The pipeline will contain proposals that are unaffordable within traditional in-year allocations e.g. EPR investment, estate redevelopment, decarbonisation ambitions etc. and thus reliant on incremental funding. This view enables early sight of investments that align to national programmes to access available funding to support delivery. This presents the opportunity to recycle/re-prioritise allocations in-year where external funds can be accessed. It also offers the ability to profile provider allocations across a number of years based on need with the aim of net-neutrality over a short/medium term horizon.

Below is a summary of 24/25 expenditure by type and provider the Capital plan has identified to address in total, as confirmed in the submitted 24/25 FPRs/IPR.

These have been prioritised for 24/25 from the 10-year Capital pipeline and shows the expenditure to be funded from the 24/25 confirmed total CDEL allocation (ICS funding, New Hospital Programme, other national programmes, loans, PDC funding, grants and donations), further funding sources to be confirmed in-year and through cost mitigation /re-prioritisation of various schemes.

Plan Expenditure 24/25 (£'000)	Org											24/25 Total (all funding sources)
Expenditure category (summary)	ICB	BEH	C&I	GOSH	MEH	NMUH	RFL	RNOH	T&P	UCLH	WHIT	
New Build			£5,000	£66,509	£116,493		£9,834	£2,703		£6,510	£11,280	<b>£218,329</b>
IT		£3,263	£5,013	£6,093	£13,685	£1,940	£13,361	£12,572		£7,268	£400	<b>£63,595</b>
Other - incl investment property						£5,907	£2,868	£2,687		£46,126		<b>£57,588</b>
Equipment				£8,547	£6,871	£1,426	£9,365	£1,620	£1,267	£22,008	£600	<b>£51,704</b>
Backlog Maintenance - Significant/high risk (CIR)				£2,702	£1,200		£21,994	£700	£933	£13,913	£3,436	<b>£44,878</b>
Routine maintenance (non-backlog)			£3,446	£2,142	£0					£7,220		<b>£12,808</b>
Backlog Maintenance - mod/low risk		£6,239	£975	£875		£2,050						<b>£10,139</b>
Buildings- Local Care	£9,379											<b>£9,379</b>
Strategic Capital Allocation	£8,914											<b>£8,914</b>
Plant and machinery				£2,005			£0					<b>£2,005</b>
GPIT Contingency	£1,500											<b>£1,500</b>
NCL LIG Prog	£1,246											<b>£1,246</b>
Fire safety				£460								<b>£460</b>
<b>24/25 Total (all funding sources)</b>	<b>£21,039</b>	<b>£9,502</b>	<b>£14,434</b>	<b>£89,333</b>	<b>£138,249</b>	<b>£11,323</b>	<b>£57,422</b>	<b>£20,282</b>	<b>£2,200</b>	<b>£103,045</b>	<b>£15,716</b>	<b>£482,545</b>

Of the total 2024/25 expenditure identified above, the following table shows Capital expenditure planned to be managed by NCL ICS through the confirmed capital allocation, funding to be confirmed in-year and scheme cost mitigation / re-prioritisation.

Plan Expenditure 24/25 (£'000)	Org										24/25 Total (ICS funding assumed)
Expenditure category (summary)	BEH	C&I	GOSH	MEH	NMUH	RFL	RNOH	T&P	UCLH	WHIT	
New Build		£5,000	£66,509			£9,834	£2,703		£6,456	£11,280	<b>£101,782</b>
Other - incl investment property					£5,907	£2,868	£2,687		£46,126		<b>£57,588</b>
Equipment			£8,475	£6,800	£1,426	£9,365	£1,300	£1,267	£20,695	£600	<b>£49,928</b>
Backlog Maintenance - Significant/high risk (CIR)			£2,702	£1,200		£21,994	£700	£933	£13,913	£3,436	<b>£44,878</b>
IT	£2,640	£4,946	£6,093	£2,400	£1,940	£13,289	£5,454		£7,268	£400	<b>£44,430</b>
Routine maintenance (non-backlog)		£3,446	£2,142	£0					£7,220		<b>£12,808</b>
Backlog Maintenance - mod/low risk	£6,239		£875		£2,050						<b>£9,164</b>
Plant and machinery			£2,005			£0					<b>£2,005</b>
Fire Safety			£460								<b>£460</b>
<b>24/25 Total (ICS funding assumed)</b>	<b>£8,879</b>	<b>£13,392</b>	<b>£89,261</b>	<b>£10,400</b>	<b>£11,323</b>	<b>£57,350</b>	<b>£12,844</b>	<b>£2,200</b>	<b>£101,678</b>	<b>£15,716</b>	<b>£323,043</b>

UCLH Other expenditure (£46.1m) highlighted in orange includes spend against the NCL System reserve of £37.6m. The NCL System reserve includes the CIR system reserve of £16.1m plan, of which £14.3m will be distributed to all NCL organisations for critical backlog described further below.

The balance of 24/25 planned expenditure is to be managed and funded through non-NCL ICS programmes, funding to be confirmed in-year and scheme cost mitigation / re-prioritisation.

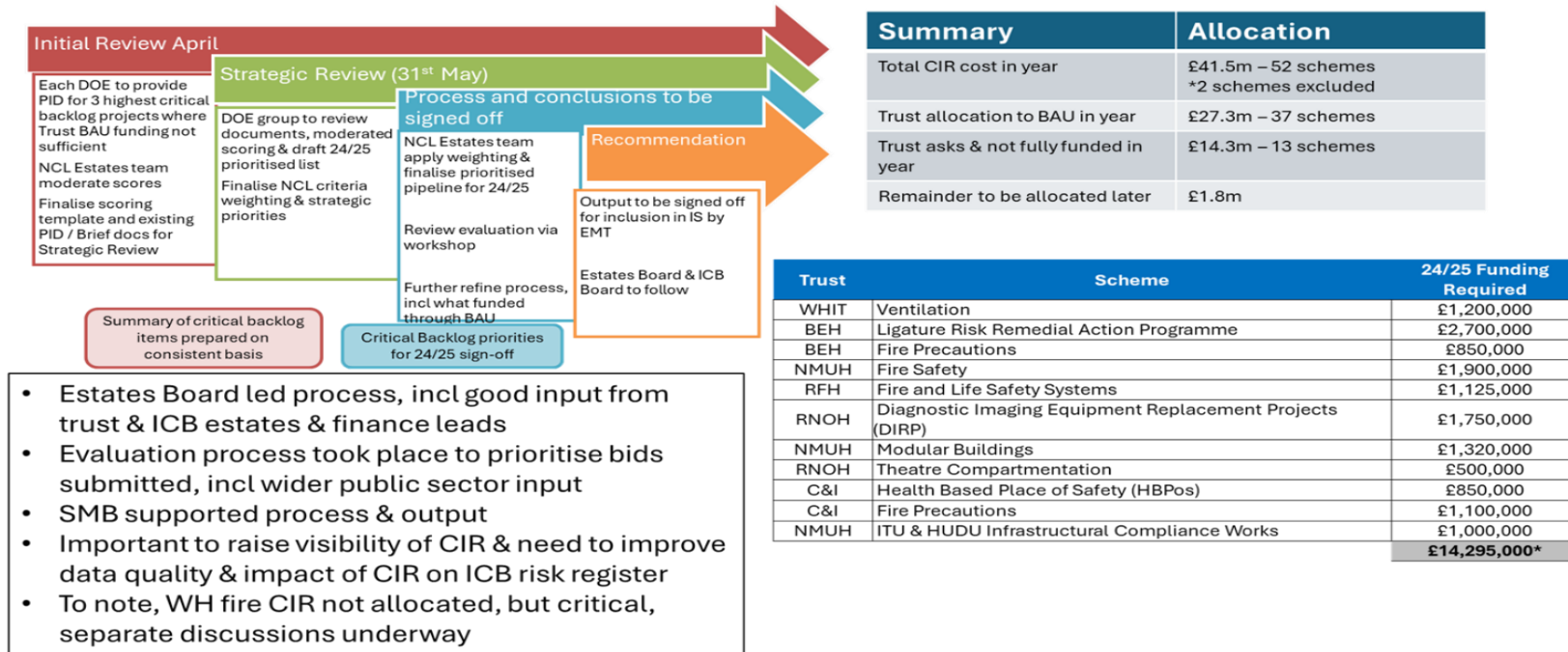
Plan Expenditure 24/25 (£'000)		
DHSC Programme	Expenditure category (summary)	Total
Diagnostic Digital Capability Programme	Equipment	<b>£1,776</b>
	IT	<b>£72</b>
Disposal	Buildings ICB Local Care	<b>(£811)</b>
Elective Recovery/Targeted Investment Fund	New Build	<b>£54</b>
Front Line Digitisation	IT	<b>£19,093</b>
GPIT	GPIT Contingency	<b>£1,500</b>
Improvement Grant	Strategic Capital Allocation	<b>£8,914</b>
	NCL LIG Prog	<b>£1,246</b>
Mental Health	Backlog Maintenance - mod/low risk	<b>£975</b>
New Lease	Buildings ICB Local Care	<b>£10,190</b>
NHP	New Build	<b>£116,493</b>
<b>24/25 Total (non-ICS planned funding source)</b>		<b>£159,502</b>



## Backlog Maintenance (Critical Infrastructure Risk prioritisation)

The ICS has prioritised backlog maintenance across the health system. NCL recognised that critical backlog identified in 2023 makes us vulnerable to unplanned site closures and that priority decisions needed to be made across the system to maintain safety of services and sought to address this risk.

The Estates Board led a process that invited Providers to submit bids detailing their three highest eligible critical backlog projects to be funded from the system CIR reserve of £16.1m created from the 23/24 revenue surplus allocation. The process and outcome are summarised here:



The majority of NCL providers engaged in this process and welcomed the opportunity to better manage their Critical Backlog risk, building on their BAU funding allocated to reduce those risks on Trust risk registers. A consistent risk-based approach was adopted, applying criteria and weightings to Trust prioritised projects.

Whittington backlog maintenance backlog CIR expenditure of £3.4m (highlighted in orange in the ICS expenditure table above) was not eligible for consideration in this process, as this is part of a wider Fire Remediation scheme at the Trust (c £10m in 24/25) funding for this expenditure remains under discussion.

Therefore, CIR expenditure schemes total £41.5m (52 schemes). Of this, £27.3m (37 schemes) is funded by BAU capital and £14.3m (11 bids from 6 Providers) was awarded from the ICS System CIR reserve (£16.1m), allowing these Providers to further their CIR priorities. Therefore, £1.8m remains available for use in the ICS CIR system reserve.

## Overview of ongoing scheme progression

### St Pancras Redevelopment (C&I / MEH)

St Pancras Hospital Transformation / Project Oriel is a multi-year programme that has attracted significant national investment. The ambitious proposals will create Highgate East, a new inpatient mental health hospital on the Whittington hospital site; a significant redevelopment of the St Pancras Hospital (SPH) site; new Community Mental Health Hubs in Islington (Lowther Road) and Camden (Greenland Road); and a new Moorfields Eye Institute.

The SPH site redevelopment is a joint venture between Camden and Islington NHS Foundation Trust (C&I) and King's Cross Central Limited Partnership. The programme will redevelop the site to provide modern, accessible and sustainable mental, community, rehab and specialist renal and kidney care facilities in the local area and create new homes, offices and public spaces.

Works are well underway on both Project Oriel and the SPH Transformation programme. The current programme deliverable dates are:

- Highgate East was successfully completed and operational in March 2024
- Lowther Road was successfully completed and operational in March 2024
- A new Mental Health Crisis Assessment Facility in Highgate West was successfully completed and operational in March 2024
- Refurbishments at Highgate West to be completed in July 2024
- New Moorfields Eye Institute (incorporating Moorfields Eye Hospital and UCL Institute of Ophthalmology) to be completed and operational in 2027
- New mental health facility at Saint Pancras Hospital currently scheduled for 2033

At present, viable plans to secure vacant possession of all buildings onsite to facilitate the sale and redevelopment of the site are still to be identified

### Great Ormond Street Hospital NHS FT

Great Ormond Street Hospital operates from one main site. Some of the facilities are world-leading but others need development.

Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

- Children's Cancer Centre – Frontage Building handed over to contractor and Advanced Enabling works started January 2024. Demolition due to start Q2/3 2024/25
- MR1 Replacement & Fitout £3m due to complete Q2 2025
- IR3 Replacement £2m due to complete Q3/4 2025
- X-Ray Department VCB L2 due to complete Q3/4 2025

Priority backlog maintenance works:

- Theatre 3 Refurbishment £3m due to complete Q2 2025
- Major focus on infrastructure upgrades including UPS, Generators, Transformers and switchgear, BMS etc.

### Mental Health Partnership

Barnet, Enfield and Haringey NHS Mental Health Trust (BEH) and Camden and Islington NHS Foundation Trust operate from 51 properties.



Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

operate from 51 properties.

Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

- Sustainability will require considerable investment over the next 10 years, to meet increasing and evolving national targets and standards. Establishing strong links between the Estates Strategy and Green Plan will enable us to improve the environmental management of our estates.
- Ongoing investment to improve patient and staff experience. Alternative premises required for services currently based in South Wing at St Pancras.

Priority backlog maintenance works:

- Circa £6m investment identified to reduce both critical and non-critical infrastructure risk element (high risk & significant risk) backlog maintenance costs at the site, inclusive of physical condition where the trust is liable for the cost of backlog maintenance, fire safety and health & safety.

Potential divestment:

- Disposal or development of estate no longer required being reviewed, although with primarily leasehold sites in place, this limits the ability to reduce costs or sites across NCL.

### **North Middlesex University Hospital NHS Trust**

North Middlesex University Hospital operates from its main site in Enfield and have recently taken on 7 sites across the Borough from which we deliver community services. The main Trust site is a blend of new PFI build and retained estate which is at a mid point of refurbishment. The Enfield Community Estate is currently undergoing post transfer survey and assessment to established the extent of required works to bring into compliance with modern building standards.

Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

- The Trust plans to obtain building control and planning approval for the Sir Tom Moore Centenary Ward and the Horizon Unit, modular buildings created during the Covid pandemic to support surgical and mental health services, reflecting the Trust's commitment to developing its estate to meet the evolving health needs of the community.
- The demand for critical care beds at NMUH has increased from 10 in 2009 to 20 in 2021, and despite extending ITU/HDU capacity, bed utilisation remains high at 99-107%, necessitating a compliant mechanical and electrical design to meet Health Building Note and Health Technical Memorandum standards, ensuring sufficient capacity and safety for critical care services.

Priority backlog maintenance works:

- The Trust plans to update its Fire Strategy to ensure compliance, addressing non-compartmentalised staircase risers, non-compliant fire doors, and outdated fire safety signage to meet relevant British Standards, HTM 05-02 Fire code, Building Regulations 2010-part B, and Health and Safety regulations, ensuring high safety standards and effective mitigations for daily operations and emergency situations.

Potential divestment:

- In light of the 2016 land sale, the Trust is committed to providing long-term corporate and Trust Headquarter accommodation that is fit for purpose and complies with IFRS-16 accounting standards.

## **Royal Free London NHS Foundation Trust**

Royal Free London operates from 3 main and c. 70 periphery sites. These include the relatively new Chase Farm Hospital, Barnet PFI Hospital and the Royal Free Hospital, which is approaching its 50yr anniversary and requires extensive modernisation.

Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

- Hybrid Theatres on RFH Site
- Endoscopy

Priority backlog maintenance works:

- RFH - Emergency Power systems & IT Systems CIR
- RFH – Critical Process Cooling & HVAC Systems CIR
- RFH – Fire & Life Safety Systems CIR

Potential divestment:

- A number of potential disposals & reinvestment opportunities

## **Royal National Orthopaedic Hospital NHS Trust**

Royal National Orthopaedic NHS Trust operates from 3 sites. Specialist Orthopaedic hospital rated 1st in the UK and 9th in the world. 60% of the clinical functions still in asbestos clad WW2 ESR huts.

Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

- To secure funding to construct TSB phase 2, a new Prosthetics and Orthotics (P&O) facility and Multi-Storey Car Park (MSCP). Replacement of obsolete Critical Care unit.

Priority backlog maintenance works:

- £5.9M Significant and High risk Fire non compliance. Need to carry out £600k this financial year.
- MRI 3T scanner replacement. 2 years past end of life, significantly high maintenance and often broken down. High patient dissatisfaction. Safety issues. Can be completed this year.
- IM&T replacement of Firewalls, data cabinets and fibre optic infrastructure required to ensure network resilience.

## **Tavistock and Portman NHS Foundation Trust**

Tavistock and Portman NHS Foundation Trust primality operates from 4 freehold and 4 leasehold premises, the age of the freehold premises ranges from 1900-1970.

Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

- The aim is to further consolidate estate and improve space utilisation, with funding directed at asset replacement and compliance- Fire, water, fabric – roofs, security, having used a risk based priority approach.

Priority backlog maintenance works:

- Heating, lift controls, roofs and electrical upgrades for further space utilisation

Potential divestment:

- No premises divestment, the focus has been to reduce the leased premises portfolio, a reduction of 2 premises in March 23, and a further reduction of 4 premises in March- April 24 (GIDS). The aim is to undertake improved space utilisation and reduce one further leased premise in Nov 24

## **University College Hospitals NHS FT**

UCLH NHS FT operates from 9 sites. University College London Hospitals NHS Foundation Trust (UCLH) is one of the most complex NHS trusts in the UK, serving a large and diverse population.

Provider estate strategy and key focus for delivery 2024/25- 2029/30:

Major capital investment projects:

- PACS [2024/25]
- Linac replacement [2024/25]
- Grey Inns Road [2025/26]
- Fitzroy Walk [2025/26]
- Paediatric private patient [2025/26]
- Neonates/RMU [2026/27]

Priority backlog maintenance works:

- Queens Square
- Westmoreland Street

Potential divestment:

- n/a

## **Whittington Health**

Whittington Health delivers acute and community services for over 500,000 people from more than 80 sites across 10 north London boroughs. Acute services are provided from the main hospital site in Islington, with adult, children and dental community services provided from more than 40 sites across Islington and Haringey. Community dental and children's services are also provided from a further 40 sites in 8 other London boroughs.

WH key focus for delivery 2024/25-2028/29:

- Fire Remediation Works - to mitigate critical fire risks identified in Blocks A& L following a fire in Block A in January 2018. Lack of funding has prevented the start of fire rectifications works, six years after the fire, and an OBC has been produced with a capital request for £93m to funds these critical works.
- Maternity and Neonatal - a phased refurbishment approach approved by Trust Board, to mitigate critical risk and improve facilities for women and their families
- Power Infrastructure – addressing critical power infrastructure risks on the hospital site
- ED Reconfiguration – to support ED services
- Mortuary refurbishment – addressing Human Tissue Authority inspection report recommendations
- Backlog maintenance – parts of essential ventilation refurbishment, lift parts, chiller and calorifiers replacement works
- Compliance - 6-facet, asset management survey and critical infrastructure reports have been completed, capturing the position of the Estate portfolio in detail and supports the need for funding to address compliance and backlog maintenance. Unless these matters are addressed there is a risk of detrimental failure that could impact on patient safety, reputation, and operational service delivery.

## Risks and Contingencies

The table summarises risks identified through the development of the 24/25 NCL Infrastructure Strategy

No.	Risk	Likelihood	Impact	Score	Response
1.	Insufficient funding from any/all sources to deliver full St Pancras programme	5	4	20	Review of options to relocate services offsite, identifying alternate sources of income in addition to land receipt, changes to scope of programme, optimise development plans for the site to secure maximum value
2.	Failure to achieve void reductions means that ongoing revenue costs of new buildings cannot be supported	4	4	16	Voids reduction; capital injection to projects where reduction of rent is considered VFM; consolidation of tail estate offers headroom (Managed on NCL Corporate Risk Register as FIN7)
3.	Failure to deliver large-scale building schemes due to complexities; fostering a sense of wariness and delays meaning other schemes can not be started	4	4	16	i) Emphasis on effective delivery of schemes and allocation of resource ii) Continued flexibility around priorities recognising slippage iii) Identification of smaller projects that are 'ready to go' in the event of funding becoming available (Managed on Corporate Risk Register as PERF22)
4.	Lack of capital and revenue funding to deliver Local Care Schemes	3	5	15	i) Deployment of 5% ICS Capital Allocation ii) Effective place-based leadership iii) Securing other funding, local authority, landlord, GP iv) Continued focus on release of voids and 'tail' estate
5.	Build and advisor cost inflation, meaning fewer schemes are affordable	4	3	12	i) Build large contingency into scheme budgets ii) Revisit prioritisation regularly iii) Rapid delivery of approved schemes, iv) Effective procurement and use of surveyors to secure vfm
6.	Lack of commitment of providers to confirming system responses	3	4	12	i) Continued engagement of providers in ICS Board and Local Care Integrated Delivery Board ii) Further consolidation of links between ICB and provider finance and estates leads
7.	Challenges in closing "tail" premises with practices remaining in contract and local stakeholder opposition	5	2	10	i) Sharing of the Estates and Infrastructure strategy in borough forums ii) Engagement of primary care contracting and borough teams in working issues through

### Leases

There is a potential financial risk through implementation of the IFRS 16 Accounting Standard.

The accounting standard IFRS16 has been implemented into the NHS, meaning that operating leases need to be treated as finance leases.

NCL has a likely 24/25 IFRS 16 commitment of c£54m against a 24/25 budget of c£44m, as per the national programme. The IFRS16 allocation has been confirmed for 24/25 but not for future years.

	£'000	£'000
	24/25 (confirmed)	25/26 (indicative)
NCL lease commitments under IFRS 16	£54,052	£110,690
NCL lease allocation under IFRS 16	(£43,993)	(£44,000)
<b>Difference (indicative)</b>	<b>£10,059</b>	<b>£66,690</b>

The commitment in 25/26 is £111m includes the impact of a long-term lease as result of a historic commitment.

Implementation of IFRS 16 within the NHS is relatively new and NCL had pre-existing lease commitments before implementation, and therefore, historic issues that need to be resolved. While the 24/25 allocation of £44m supports the current year commitments (currently c£54m) in part, options will need to be considered for future years, including reducing the value of commitments and further national support.

NCL ICS will coordinate lease arrangements to optimise spend by collecting lease information from providers to understand the IFRS 16 implications across the system. The ICS will then coordinate a discussion to plan lease renewals. Strategic decisions can then be made about leases as they come up for renewal. Exiting a lease would potentially create revenue capacity to invest elsewhere.

### **NCL 'Start Well' initiative links service quality to infrastructure**

The Start Well programme is a long term change programme focussed on hospital-based maternity, neonatal and children's services. These proposals have been developed with senior clinical leaders and we feel will create sustainable services that meet the needs of local people by ensuring that the right resources are available in suitable environments that meet quality standards and follow best practice.

The proposals include reducing the number of maternity and neonatal units from four to five. The two options consulted on were:

- **Option A** – retaining maternity and neonatal services at Whittington Hospital (and them no longer being provided at Royal Free Hospital) – this was identified as the preferred option
- **Option B** – retaining maternity and neonatal services at Royal Free Hospital (and them no longer being provided at Whittington Hospital)
- Both options retain maternity and neonatal services at Barnet Hospital, North Middlesex Hospital and University College Hospital. Both options would also see significant additional investment in maternity and neonatal services across NCL

The proposed changes aim to:

- Establish more resilient services by co-locating midwifery and obstetrics-led units with at least level 2 neonatal units, enabling them to care for premature or unwell babies alongside
- offering homebirth services across all boroughs
- Significantly enhance quality, safety and patient experience by allocating resources, staff and investment into four larger, more resilient maternity and neonatal units

The consultation also proposed two other changes to services:

- Closing the birthing suites at the Edgware Birth Centre (whilst retaining antenatal and postnatal care at the site)
- Establishing two 'centres of expertise' to consolidate some low volumes of children's surgery at Great Ormond Street Hospital and UCLH to make the most of the specialist skills and facilities that are needed to care for children requiring surgery who are under the age of 3 (or 5 for some specialties)

### **Next steps**

No decisions have yet been made about service changes. A public consultation was held over a 14-week period which aimed to make the local population aware of the consultation and the proposed changes and to give their views on them. The feedback received during the consultation period is being analysed and written into a report by an independent partner and will be published in due course. This feedback will inform the next steps and drafting of a decision making business case to be considered by commissioners (NCL ICB and NHSE London Region Specialised Commissioning). It is unlikely that a final decision on any service changes will be made before early 2025.

### **Electronic Patient Record initiative**

NCL has one of the most diverged EPR estates. Our strategy is to reduce the number of EPRs to simplify integration. With 8 EPRs across the ICS, NCL faces a challenge to ensure system interoperability, patient flow and data sharing, and to achieve economies of scale in EPR procurement. Expiry of several EPR contracts in the near future presents an opportunity for increased convergence. This task is more complex in NCL than in many other London ICSs due to the high proportion of specialist services and associated cross-boundary patient pathways.

The priority Trusts for EPR investment are Moorfields, RNOH and Camden & Islington Mental Health Trust. Our goals include storage management of records and assessments, diagnostics management, medicines management, decision support tool, support for remote and assistive care, asset/ resource optimization and business and clinical intelligence.

### Key considerations

1	Reduce the number of EPRs	There are eight EPR systems across NCL. The NCL strategy is to use forthcoming expiry of several EPR contracts to seek convergence with neighbouring EPR domains where appropriate. This will facilitate service integration and integrated care for patient flows within the ICS. NCL will aim to consolidate EPRs where financially and operationally feasible.
2	Financial Imperatives	Any EPR consolidation must consider financial imperatives. With one Global Digital Exemplar (GDE) and three "Fast Followers" there has been significant recent investment, particularly in the acute sector. The strategy to consolidate EPRs must consider this investment and meet with the ICS capital investment plan, based on evidenced benefits.
3	Support for specialist services	NCL has a high proportion of specialist hospitals and services: the EPR convergence strategy must maintain support for these specialist services and recognise that the majority of patients for many specialist services are referred from outside NCL and therefore EPRs must interoperate with other EPRs through standard interfaces wherever possible.
4	Support inter-ICS patient flow	There are patient pathways with very significant patient flows across ICS boundaries (e.g. North East London and West Herts). EPRs must support these patient flows and therefore NCL will develop an EPR interoperability strategy, based on open standards wherever possible.
5	Levelling up digital maturity	While the Acute sector in NCL has received recent EPR investment, other settings (Mental Health, Specialist Hospitals and Social Care) are under-invested which impedes cross-system integration. Under-invested settings and organisations where EPRs are nearing contract expiry will be prioritised.

### Disposals strategy development - integral to the ICS infrastructure strategy

The ICS is developing a strategic system approach to disposals which will result in a suitably sized, high-quality estate and maximise the level of core CDEL funding available to the system for strategic priorities. The impact of the pandemic has affected the speed and volume of disposals at NCL Providers. Elective recovery and Urgent and Emergency Care funding mean that some sites that were previously considered surplus are being reviewed before a final decision to dispose is taken.

Trust	Site
C&I	St Pancras Hospital
MEH	City Road
RNOH	Western Development Zone Stanmore
CLCH	West Hendon Clinic
Other	Disposals in development

Our key Provider disposals centre on the Oriel / St Pancras redevelopment programme – the St Pancras Hospital (C&I) and City Road (MEH) sites. Another major disposal for residential redevelopment, the Western development zone at RNOH, has stalled due to the withdrawal of PFI funding routes. The Trust is exploring alternative options with the NHSE disposals team. Our key local care disposals include Plots A and B at Edgware Community Hospital, an NHS Property Services site. Plot A has planning permission for residential. NHSPS will re-invest a proportion of the net proceeds to improve the remaining hospital site. There are other sites that have been identified for potential disposal, but these lower value sites are under review or subject to feasibility studies.

Divestment from tail primary care estate is also a significant opportunity, particularly in areas where there is sufficient existing coverage of 'core' and 'flex one' estate.



## Virtual Wards initiative will reduce pressure on acute sector

Virtual wards, also known as hospital at home, allow patients to receive the acute care and treatment they need at home safely and conveniently, rather than being in hospital. There are currently 190 virtual ward beds in NCL, with a plan to reach 266 beds by March 2025, and ultimately up to 600 virtual ward beds over the next five to ten years.

Virtual wards can be of strategic benefit from an Estates perspective, as virtual ward care is provided in patients' place of residence rather than by creating additional inpatient General & Acute capacity.

The key future virtual ward estates consideration is what provision will be required to enable the increased consolidation of remote monitoring for virtual ward patients, as well as more transitional care stepping up and down between acute and primary /community care and as part of long-term condition management.

The development of a remote monitoring hub or service for NCL would require a suitable location within the sector. We will continue to work through proposals.

## Cross-system and collaborative working

The ICB Estates team works in close partnership with estates teams in the provider trusts, who are responsible for 90% of ICS capital spend.







In taking schemes forward, the ICB Estates teams works with landlords, practices, developers and local authorities. The Estates team also draws on specialist expertise, e.g. lawyers, architects, surveyors, in taking schemes to completion.

Finally, the ICB Estates team works closely with London colleagues and parallel functions in the other London ICSs. The ICB also maintains positive relationships with national colleagues in NHS England.

### Local Authorities

Effective working with local authorities is essential. They are a vital strategic partner in delivering the infrastructure strategy. This aligns with the ICS' approach to population health.

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- |  |   |
|--|---|
|  Developing Population Health Strategies, with local democratic accountability  |  Approving housing projects and development schemes driving need for additional local health services, |
|  Delivery Partner for integrated neighbourhood teams, with social care working closely with general practice and community health |  Allocating S106 and CIL funding; NCL ICS has received £x in S106/ CIL since,                          |
|  Close links to community groups and voluntary organisations, many of whom receive Local Authority funding or support             |  Landlord for health services, including in the new "core" buildings.                                  |

The ICB has established borough partnership teams in each of NCL's five boroughs, working closely with a designated estates lead. The Local Estates Forum in each borough are therefore important fora to discuss estate needs, confirm and then progress with an agreed pipeline of projects.

## **NHS Property Services**

NHS Property Services manages 33 properties across the NCL estate.

Provider estate strategy and key focus for delivery 2024/25-2029/30

- Take forward key requirements / developments working with ICB and Local Authorities
- Completion of Hunter Street, Edgware CH, Torrington and next phase assessment for Finsbury HC
- Further exploration of potential for surplus land disposals and NCL estate reinvestment informed by Core Flex and Tail reviews
- Continue collaboration between NHSPS and ICB to reduce vacant/void space across NCL.

## **North London Partners Shared Services (NLPSS)**

Created in 2021, NLPSS consolidates departments and services from the 10 NCL Trusts onto one site at Enfield Civic Centre. By doing this, we reduce the need for administrative space at each individual provider site. This increased space can then be repurposed, for example, into clinical areas, aiding elective backlog recovery. By consolidating, staff are co-located onto one site allowing NLPSS to standardise processes across the ICS, creating a more efficient and consistent service delivery

### **Current NLPSS Services**

- **Shared Recruitment Service**  
Collaboration of 9 NCL Trusts
- **Shared Occupational Health Service (OH)**  
Collaboration of 6 NCL Trusts
- **Shared Medical Staffing Service**  
Collaboration of 2 NCL Trusts
- **NCL SBS Payroll Framework**  
Collaboration of 6 NCL Trusts

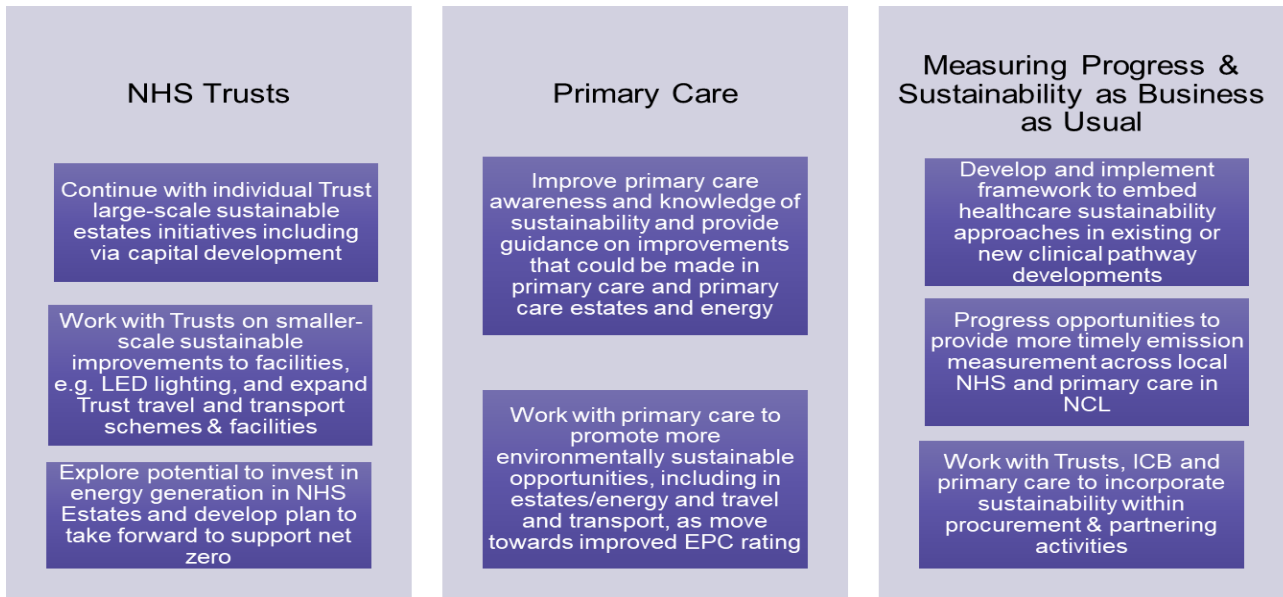
### **What's Next?**

- Shared Employee Relations Service
- Onboard 3 more organisations to NLPSS OH service
- Onboard 2 more Trusts to NCL payroll framework
- Onboard more Trusts to NLPSS Medical Staffing
- Explore options for Workforce Informatics collaboration

### **Benefits of shared services**

- **More sustainable and resilient**  
Staff are integrated into one larger team, allowing for cross-coverage and shared responsibilities, enhancing sustainability and resilience
- **Standardise to level of best**  
Standardised processes across NCL ensure that all Trusts benefit from consistent and reliable access to shared services
- **Financial savings**  
Consolidation leads to significant cost reductions by streamlining and optimising resource use
- **Economies of scale**  
The ability to scale services allows any trust to join, extending benefits and potential cost savings across primary care and other areas.

NCL is committed to reducing carbon footprint



### A Green Plan commits to actions

#### Achievements 23/24

- NCL has met 2 NHSE indicators re inhaler emissions ahead of schedule in Q3
- NCL has ended the use of Desflurane gas in its hospitals.
- Two supply chain vehicles off the road per day due to distribution centre at Chalk Mill Drive
- Improved opportunities for cycling for NHS staff, e.g. e-bike trial at CLCH.
- GOSH has integrated air quality alerts based on a patient's home postcode and has provided guidance to staff to engage with MPs and councillors
- Strong leadership from SRO (Chief Exec, RNOH) and network of sustainability leads across trusts. Creating a social movement.
- Refreshed targets for 23/24 in line with available resource and capacity
- Considering sustainable transformation in LTC LCS, surgical hubs redesign & Start Well programme
- Greener NCL ICB Staff network – changes in the office (recycled paper, reusable crockery)

#### Priorities 24/25

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## Appendix - System CDEL

	CDEL	ICB £'000	BEH £'000	C&I £'000	GOSH £'000	MEH £'000	NMUH £'000	RFL £'000	RNOH £'000	T&P £'000	UCLH £'000	WHIT £'000	Total Full Year Plan NCL ICS	
													£'000	Narrative on main categories of expenditure
Provider	Operational capital		£8,879	£13,392	£27,358	£12,611	£9,883	£43,390	£12,094	£2,200	£39,718	£10,236	<b>£179,761</b>	Site Developments; MEH (Oriol), EPR, Estate Backlog Maintenance, Clinical equipment, IM&T
ICB	Operational capital (Primary Care)	£8,914											<b>£8,914</b>	Primary Care Allocation
	NCL ICS System Reserve	£37,599											<b>£37,599</b>	ICS System Reserve to support strategic projects. Includes CIR & 24/25 revenue fair shares allocation for distribution
	<b>Total system operational capital</b>	<b>£46,513</b>	<b>£8,879</b>	<b>£13,392</b>	<b>£27,358</b>	<b>£12,611</b>	<b>£9,883</b>	<b>£43,390</b>	<b>£12,094</b>	<b>£2,200</b>	<b>£39,718</b>	<b>£10,236</b>	<b>£226,274</b>	
Provider	Impact of IFRS 16		£0	£0	£522	£12,450	£1,440	£10,827	£2,747	£0	£10,527	£5,480	<b>£43,993</b>	Lease - support for IFRS16 adoption
ICB	Impact of IFRS 16	£0											<b>£0</b>	
Provider	New Hospital Programme		£0	£0	£0	£100,743	£0	£0	£0	£0	£0	£0	<b>£100,743</b>	St Pancras / Oriol programmes (MEH)
Provider	<b>National programmes</b>													
	· Diagnostics		£0	£0	£72	£71	£0	£72	£320	£0	£1,313	£0	<b>£1,848</b>	Digital Diagnostics
	· Front line digitisation		£623	£67	£0	£8,185	£0	£0	£7,118	£0	£0	£0	<b>£15,993</b>	EPR
	· Mental Health		£0	£975	£0	£0	£0	£0	£0	£0	£0	£0	<b>£975</b>	Mental Health
	· Elective Recovery		£0	£0	£0	£0	£0	£0	£0	£0	£54	£0	<b>£54</b>	Elective Capacity (TIF)
	· Other (technical accounting)		£0	£0	£0	£0	£2,091	£0	£0	£0	£2,584	£0	<b>£4,675</b>	PFI Capital Charge
	<b>Total system operational capital</b>	<b>£46,513</b>	<b>£9,502</b>	<b>£14,434</b>	<b>£27,952</b>	<b>£134,060</b>	<b>£13,414</b>	<b>£54,289</b>	<b>£22,279</b>	<b>£2,200</b>	<b>£54,196</b>	<b>£15,716</b>	<b>£394,555</b>	